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April 7, 1997

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

**RE: CS DOCKET NO. 97-55, REPLY TO TELEVISION INDUSTRY PROPOSED RATINGS**

Dear Mr. Canton:

By this letter, we are filing formal comments to the television industry letter submitted to you on January 17, 1997 by Jack Valenti, President and CEO, Motion Picture Association of America; Decker Anstrom, President and CEO, National Cable Television Association; and Eddie Fritts, President and CEO, National Association of Broadcasters regarding their proposed television ratings. We believe that the intention of Congress, within the Telecommunications Act of 1996, to realize a television rating standard, rating encodings, warning labels, and technology to empower the public to block television programming, was ultimately a commercial solution. Since the passage of the Act, there has been much agitation about the shortfalls of a simplistic solution to the plethora of public and industry issues. This letter will serve as an introduction to a commercial solution that addresses those shortfalls, and the benefits of an end-to-end process for industry, and most importantly the public.

Ratings are of particular interest to our company, which is the element blurring/blocking technology developer, for how the ratings will affect the blocking of programming; how ratings and encodings can be affected by certain processes and technology; and how advanced technology can influence the perception of what is an "acceptable" rating standard. "*Acceptable*" is the conditional term by which the Federal Communications Commission must judge the proposed television ratings. "*Acceptable*" is also a transitory term defined by what is both possible and practical. Technology continually advances what is possible, and skews the applicability of what is practical towards the possible. Our firm offers a suggested frame of reference for "acceptability" based on an end-to-end process, and how this process will interplay with any program blocking and the state-of-the-art in blocking technology (which can benefit industry, government, and the public).

Before explaining the *end-to-end process*, there are several premises that must be dissuaded. The premises are important because they have served as the foundation on which the television industry's proposed ratings have been based.

Premise #1 -- The Public Desires Community Ratings

The industry's proposed television ratings perpetuate a community standard, like those of theatrical film ratings. Unlike a community theater where community ratings are appropriate, television enters private, individualist households seeking subjective ratings. It is understood that most American households wish to determine content acceptability themselves, seeking such empowerment through ample information on program content without the imposition of other people's values. The industry has

proscribed a rating standard delimited by age which supercedes the choice of self determination desired by households. This supersedure is further extended by allowing local station operators to substitute what they feel is appropriate for others. (The *end-to-end process* produces highly informative and accurate content information presented subjectively and simplistically enabling households to determine a program's "acceptability".)

Premise #2 -- 2000 Hours Of Programming Must Be Rated Daily

Many of these 2000 hours include programming that does not need to be rated, or is quite simple to rate, for example news, sports, infomercials, game shows, commercials, documentaries, and educational programs (see Document #1). In addition, a significant portion of these 2000 hours is syndicated programming which is frequently replayed on one or more channels, typically for many years. Programming needs to be rated only once regardless of how many times it is shown.

Premise #3 -- It Would Be Too Expensive To Rate Programs Other Than The Proposed Industry Way

Using the *end-to-end process* given below, the entertainment industry can actually reduce current editing, re-editing, and program rating costs.

Premise #4 -- Historical Programming Is Too Expensive To Rate

Overall, historical programs have mild content compared to many of today's programs. Most historical programs can be encoded easily and quickly, with trivial cost.

Premise #5 -- Warning Labels Can Be Detrimental To Industry Revenues and Image

Community-based ratings converted to warning labels could be detrimental to television revenues and image, financial loses may be had ranging from $250,000 to one million dollars for a television movie as quoted by one major industry executive. An important aspect of these warning labels are to disallow particular viewers. There are other types of labels that will not be detrimental, for example subjective labels. One such label is the "Content Summary™" (see Document #2 and the *end-to-end process* below for more detail).

To: Mr. William F. Canton April 7, 1997
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**AN END-TO-END**
**RATING STANDARD, PROGRAM CONTENT EVALUATION, WARNING LABELING, AND BLOCKING TECHNOLOGY PROCESS**

Rating Standard

Whether a rating standard is community-based on age or content, or it is a subjective rating standard, it should be considered to be separate of the warning label. In other words, the label is a summation of the ratings for a particular program, but it is not the rating standard itself.

The Federal Communications Commission is keenly aware of the convergence of many technologies making they way toward consumer markets. The two most prominent mediums – television and the Internet, have pressing content control issues at hand. While Internet and television delivery services are, or will soon, merge into common products, the consumer is presented with a myriad of ratings schemes. The Telecommunications Act of 1996, users in a new era of open markets for industries once bound by many competitive restrictions. In many ways, the Act promotes commercial solutions through increased competition, which should result in greater consumer benefit. One such benefit would be a common rating standard for television and Internet content. Ultimately, any complexity to define a common rating standard for both mediums will be overshadowed by the simplicity and utility of it for consumers. Prominent organizations, like the Recreational Software Advisory Council, have shown interest in a singular rating standard. Now is the time for a common television and Internet rating standard.

Program Content Evaluation

To rate program content, several evaluative agents can be employed, such as:

1. Evaluation Panels;
2. Producers; or,
3. Rating Editors.

Evaluation Panels and Producers have inherent deficiencies to rate and label programming. Evaluation Panels and Producers apply subjective interpretations that supersede consumer judgment, both err with bias and inconsistency and ambiguity, and both lack accurate quantification of program content. Alternatively in the end-to-end process, Rating Editors are precluded from interjecting personal bias by having to locate and define specific elements. Also, the end-to-end process itself imparts rating consistency, elucidation of content by categorical intensity levels, and a computer quantifies and validates the summation of the encodings. The computer also outputs a subjective, exacting label such as the Content Summary™ or another label.

Using a rating standard, a post production Rating Editor identifies and encodes those individual elements that match rating categories and intensity levels. By identifying and encoding individual elements, the Editor cannot interject personal bias, and the specificity of rating elements removes inconsistency. When the program is fully rated and encoded, a computer totals the encoded intensity levels by category,

which can be presented either in text or graphic form, such as the Content Summary™. This method also allows for the distinction of relevant and gratuitous content with a comparable rating standard. The computer can disallow producer alteration of the summary ensuring accuracy.

Rating elements in this manner allows many benefits, for example, producers maintain control over the delivery of the finished product, ratings are de-centralized for expediency, producers knowing the program's rating can then change the content to achieve a different rating, and advanced blocking technology can block only specific elements and not entire programs and commercials (for more benefits of rating by elements, see Document #3.)

Warning Labeling

Labels can be cached in blocking system memory, and more than one label per program is possible. This offers more convenience to users than the current 15-second display, allowing users to call the label to the screen at any time, even after changing channels. This functionality in most blocking systems might provide for the disallowance of mandatory onscreen labels benefiting both users and industry. Also, more than one label per program allows users a choice (if producers elect to provide this convenience).

The Content Summary™ or any label is separate of a rating standard. For example, the Content Summary is an extraction of the ratings encoded into a program. By using the end-to-end process, producers can provide unbiased, consistent, and subjective content information with negligible investment. This label will empower users with substantial information to interpret a program's acceptability according to their own needs, or the needs of their household. The Content Summary™ label is simple to comprehend, and yet it provides a convenient breakdown of content information by category, intensity level, gratuitous nature, and the proportion of categorical intensity airtime compared to the entire program's airtime.

Blocking Technology

Technologically, there can be only two blocking technologies for television and Internet content. They are:

1. Blocking entire programs or segments (V-Chip Technology); or,
2. Blocking or blurring program elements (Element Blurring/Blocking Technology).

Both technologies empower consumers to occlude undesirable content, but only element blurring/blocking preserves the remaining content. Only the latter holds benefit for all parties. Both blocking technologies can use singular ratings to block programs. If a program is encoded by elements, consumers then have a choice of which blocking technology to use. Element blurring/blocking can selectively pass the relevant violence and nudity in Schlinder's List film as compared to the gratuitous content in the Texas Chainsaw Massacre film. Regardless of which blocking technology is used, the benefits of rating program content using element encodings are many.

## IN CONCLUSION

Acceptability

Based upon the benefits of the end-to-end process above, the "acceptability" determination by the Federal Communications Commission might be best made not only on what is possible and practical in the understanding of Congress and the Commission, but more importantly what is acceptable to the welfare and benefit of the public and industry. Our firm, and our technology partners, will soon demonstrate the effectiveness and benefits of the end-to-end process and element blurring in Washington, D.C. We welcome an opportunity to demonstrate both at the Federal Communications Commission.

Rating Standard

The proposed industry ratings were developed before the only alternative blocking technology, element blurring/blocking, was developed. The benefits of element blurring/blocking gives cause to rate programs by elements rather than by single program ratings, a process and technology unknown to the industry during their proposal development process. The interrelatedness of the rating standard, program content evaluation, warning labeling, and blocking technology is important. The entertainment industry should be allowed to advantage not only the public, but itself to retain audiences and markets, and potentially to enhance revenues through the preservation of rating and encoding program elements.

Industry Rating Methodology Choice

Our firm, and our partners, recommend that the Federal Communications Commission allow content producers to choose whether to rate programs with a singular rating, or to use the more advantageous method of rating content elements. The element encoding methodology can generate a rating to block entire programs or just elements based on one common rating standard. Therefore, we recommend that the Telecommunications Act of 1996 be amended to stipulate "a common rating standard" rather than "a common rating".

Public Evaluation of the Content Summary™ Label

The public should be allowed to evaluate the Content Summary™ label for its simplistic and exacting representation of program content.

Open Markets

The public and industry should also be allowed to choose which of the two blocking technologies they prefer to use, since they accomplish the same goal of blocking unwanted content. Both technologies should be unfettered by government, allowing each full access to markets.

World Opinion, A World Rating Solution, and U.S. Commerce Aboard

Importantly, the world is watching the United States, the world's largest television and Internet content producer. The world often looks to the U.S. for leadership in policy, technological expertise, and commercial solutions. The global village is never more evident than in business and technology. The United States has a unique opportunity to provide the world with a multicultural, unified television and

Internet rating standard. This is not an undaunting task. We ask the Federal Communications Commission, Congress, and television and Internet industries to consider the following:

1. The television industry will soon deliver many of its products over the Internet, should this content have a separate rating standard from all other Internet content? Is this fair to the television industry and its consumers?

2. Should consumers endure the complexity of multiple rating schemes coming forth from a future of hybrid television and Internet consumer products? Technologies such as Web TV, Wink programming, Teletext, Net TV, Interactive TV, DSS, and many more exemplify this convergence. Companies such as MSNBC are demonstrative of the interrelated future of these two mediums.

3. Will an indifferent United States hinder international rating and blocking needs with outmoded policy? Will another country take the first logical and momentous step to consolidate all multimedia content ratings soon after the United States if it falters to do so itself?

The proposed television ratings are not sufficient to meet domestic needs, or international expectations. The world will witness a benevolent United States that incorporates international cultural concerns into its products. Also, by pre-conditioning such products with reasonable rating encodings, the significant re-editing costs of American entertainment products can be reduced or eliminated. This effort should realize increased profitability for our commerce, and greater market penetration. With an effective rating and encoding scheme as we propose, the United States can enhance its commerce domestically and internationally, and improve its image as a world leader.

Respectfully submitted,

Den Pippenger

Den Pippenger, CEO
VideoFreedom, Inc.

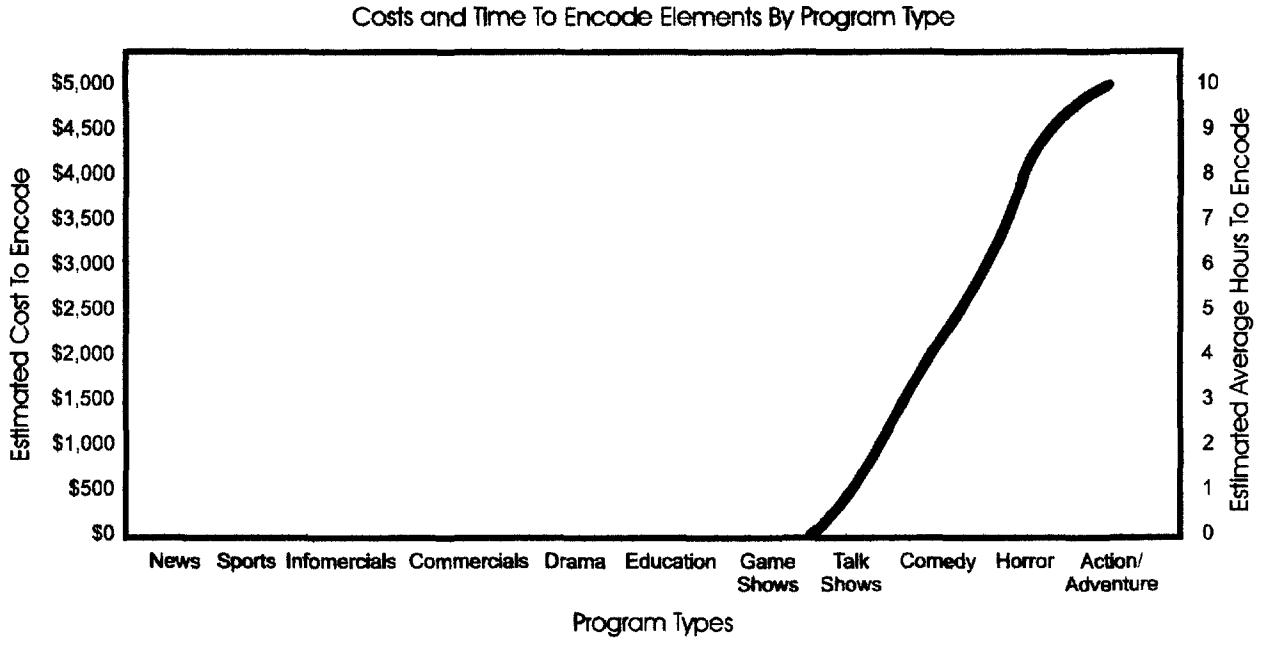
To: Mr. William F. Canton

April 7, 1997

By: VIDEOFREEDOM. INC.™

# DOCUMENT 1

## Estimated Cost & Time To Encode & Rate Two Hour Programs by Program Type*




Proven technologies in image, video, sound, language, and text can further reduce the estimated costs and time given.

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# DOCUMENT 2

# Content Summary™ for Television Entertainment and Internet Sites

The Content Summary™ is a graphic representation of values extracted from encoded television programming or Internet site content. It does not instruct as many labels do, rather it is an informative guide similar to a food label. It displays separate categories and respective intensity levels, including the presence of gratuitous content in any category.

The Content Summary™ is generated after an encoding process that identifies specific content based on separate ratings for categories and respective intensity levels. This process is fast and accurate. The Summary is transmitted together with encoded content. It can be cached into memory by blocking systems ready for display at will. It can be displayed in various ways as shown below.

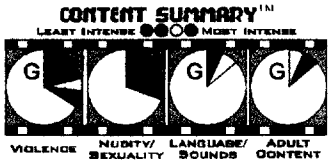
## How To Read The Content Summary™

The guide is detailed, yet easy to read. The number of categories and intensity levels can be varied. Examples below show how categories can be added as needed. Example categories include: "Racism", "Sexism", or Ageism". For reasons of utility, cost, and efficiency, intensity levels will most likely range from 4-7 levels per category. A "G" in the upper left portion of each categorical circle indicates the presence of gratuitous content in that category. Intensity levels and gratuitous markings are shown only if they were present.

Each categorical circle represents the total runtime of the program. Intensity levels in each category are represented as pie slices of colors or shades of gray. Intensity ranges from cool colors (blue) or light gray, to hot colors (red) or dark gray. A pie slice indicates its airtime relative to the program's total airtime.

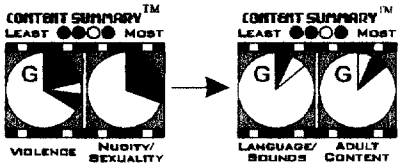
## Content Summary™ Display Variations

TELEVISION & INTERNET ELECTRONIC TRANSMISSION




Can be called to the screen at any time, and offers the most information by category.

ROTATING DISPLAY

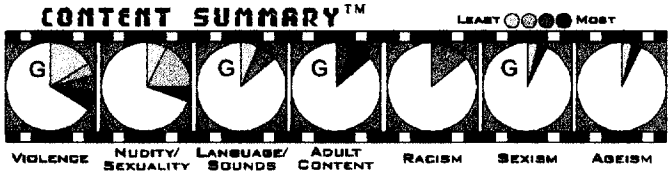



Categories can be presented one-by-one, or two-by-two to minimize label coverage during program viewing. A voice may announce each category and inclusive intensity (like HBO™) as they are displayed.

HARDCOPY PUBLICATION


This compact display is good for television guides, such as TV Guide, which has limited space. This label cannot present relative intensity level times, and gratuitous notification does not distinction categories.

BLACK AND WHITE PUBLICATIONS




Shows how extra categories can be added to the four principal categories above, and with intensities shown as scales of gray.

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# DOCUMENT 3

# Television And Internet Element Blurring Benefits

Element blurring is uniquely capable of achieving many benefits for encoded television and computer programming. End-users can selectively block or blur only objectionable elements of video or audio. This process offers many positive values for entertainment and its affiliated industries, research, and government, while empowering parents and families.

### *Element Encoding and Blocking Benefits For Consumers, Producers, Distributors, and Advertisers*

- Blurs or blocks video and/or audio elements by masking specific content within portions of frames
- Reduces the overall costs of editing and re-editing for multiple markets by creating one master for multiple plays
- Pre-conditions programs for individual comfort levels and international markets offering greater market penetration, and added value and profitability
- Can accommodate the sensitivities, tastes, and comfort levels of many cultures, domestic and international
- Maintains storyline continuity and ambiance for brightness, color, sounds, perception of activity, & more
- Will retain more viewers more than program blocking with single ratings
- Preserves advertising exposure and revenue
- Maximizes program pass-through by blurring or blocking only specific elements of video or audio
- Can maintain the relationship of video and audio elements such as guns and gunfire
- Supplies a benign, highly informative label
- Eliminates labeling bias, inconsistency, and ambiguity
- Can reduce contentions over more ambiguous types of rating
- Producers have greater control over the rating process and program label before distribution
- Producers and distributors can obtain viewer blocking statistics by elements to assist in program refinement to achieve wider markets and more loyalty among viewers
- Provides unique demographics to assist advertisers in market assessment and commercial expenditures
- Can distinguish between relevant and gratuitous content
- Encoded element blocking offers greater access security than age-validation services
- Internet sites and programs need not be blocked if specific content is blocked
- Maintains freedom of expression